

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

CHAPTER 200 – Income: Aged, Blind and Disabled (ABD) Categories

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200.03.02 **PERSONAL SERVICES**

A personal service performed for an individual is not income. Examples of personal services for an individual which are not income are:

- Mowing the lawn;
- Doing housecleaning;
- Going to the grocery store; and
- Babysitting.

200.03.03 **CONVERSION OR SALE OF A RESOURCE**

Receipts from the sale, exchange or replacement of a resource are not income, but are resources that have changed their form. This includes any cash or in-kind item that is provided to replace or repair a resource that has been lost, damaged or stolen.

Example: Jerry sells his 1999 Buick for \$1000. The money he receives is not income, but a resource which has been converted from one form (a car) to another form (cash).

200.03.04 **REBATES AND REFUNDS**

When an individual receives a rebate, refund or other return of money he has already paid, the money returned is not income. The key idea in applying this policy is the return of an individual's own money. Some rebates do not fit that category. If the rebate is a return on an investment, for example, the rebate would be treated as a dividend.

200.03.05 **INCOME TAX REFUNDS**

Any amount of income tax refunded to an individual is not income. Amounts withheld or paid as income tax during the course of a taxable year are included in the definition of income; therefore, any later refund of income taxes by a federal, state, or local taxing authority is not again treated as income, but it is treated as a resource. This is so even if the income from which the tax was withheld or paid was received in a period prior to the Medicaid application.

NOTE: The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 provides that federal tax refunds received from January 1, 2010, through December 31, 2012, are not counted as income or as a resource to the recipient or any person to whom the funds are given for a period of 12 months following receipt. Through December 31, 2012, any of these funds which are transferred are not subject to penalty. If placed in a trust, the funds are not subject to Medicaid trust provisions.